STATE ECONOMIC DEVELOPMENT
TAX INCENTIVES IN THE SOUTHEAST

Jeanie Thomas

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PREFACE

This report presents a survey of economic development tax incentives available in southeastern states. It was prepared as part of an analysis of Georgia's economic development tax credit program and conducted at the request of the Governor's office. The report is one of four reports prepared for this purpose. The other reports are:

*An Analysis of the Employment Impact of Georgia's Job Tax Credit.*
(Dagney Faulk)
This report reviews the literature on job tax credits and presents an analysis of the decision to participate in the Georgia Job Tax Credit (JTC) program and of the effect of the JTC on employment. FRP Report 38 (December 1999).

*A Profile of Georgia's Economic Performance and Competitiveness.*
(David L. Sjoquist, William J. Smith, Kathleen Thomas)
This report compares Georgia's recent economic performance and it's economic competitiveness relative to the U.S. and surrounding states. FRP Report 41 (January 2000).

*An Analysis of Georgia's Economic Development Tax Credit Incentives.*
(Dagney Faulk, Keith Ihlanfeldt, David L. Sjoquist, William J. Smith, Jeanie Thomas, Kathleen Thomas)
This final report provides an analysis of Georgia's economic development tax incentive program. FRP Report 42 (January 2000).

ACKNOWLEDGMENTS

This report was prepared with the valuable technical assistance of Dorie Taylor.
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<td>1999 Legislation</td>
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State Economic Development Tax Incentives in the Southeast

Features of economic development programs in other states provide ideas for changes to Georgia's state tax incentives. Some of these features would make the incentives more beneficial for Georgia's taxpayers and workers while others offer increased value to the company which is coming to Georgia or to the company which is expanding in Georgia. Of course any changes in Georgia's tax incentives should take the policy goals into account. Following are some of the variations among state tax incentive programs in the southeast:

- Some state tax incentives are flexible and are not considered entitlements; they vary by project and are negotiated with a state agency or economic development partnership. An agreement or contract between the prospect and state officials specifying terms is required. A contract may include:
  
  | Time limits on performance | Local government approval, sometimes local financial match |
  | A required business plan   | Sanctions for not fulfilling the contract               |
  | Cost-benefit review       | State resident hiring preference                       |
  | Show economic contribution| Show necessity of credits: "but for" this incentive, the firm would go elsewhere |

- Job growth plus investment is required for some tax credit programs (AL, VA, TN, SC).

- Some states have minimum wage rate requirements; in some programs credits vary with wage rates (SC, NC, AL, FL):

  - 115% of area average
  - $8/hr or $10 avg per hr + benefits
  - 1.5 times state per capita average

- Health benefits must be available to new employees to qualify in some states (NC, SC, TN, AL).

- In some states tax credits may be taken against taxes other than, or in addition to, corporate income tax: franchise fee, sales tax, property tax, excise tax, insurance premium taxes, withholding on payroll taxes (AL, FL, SC, TN).

- At least one state has a moratorium on state corporate income taxes for creating jobs in certain counties with 2 times the average annual unemployment rate for 2 years and at least 90% of the investment in specified counties (SC).
• Some statutes indicate the range of eligible incentive choices for local governments and authorities or require local initiative or approval for some incentives (FL, SC).

• Some states require reporting of information so that ongoing evaluations may be conducted (NC, TN, FL).

• Activities eligible for tax incentives in other states include:
  • clean room modules and associated systems (SC);
  • depreciation allowances for semi-conductors, specified computer and computer peripheral displays (SC);
  • targeted industries (FL);
    “targeted industry” means any business which satisfies the following criteria:
    • future growth in employment and output indicated by industry forecasts, particularly in international markets;
    • stability, not subject to periodic layoffs;
    • high wages compared to statewide or area averages;
    • Market and resource independent (not dependent on FL);
    • Industrial base diversification and strengthening; and
    • Strong positive impacts on or to state and regional economies.
  • machinery repair parts (SC, VA); and
  • rehabilitating or constructing affordable housing (NC);

• In at least one state credits or refunds must be spent in a specific way: training costs and facilities, acquiring and improving real estate, improvements to utility systems, fixed transportation facilities, construction or improvements to comply with environmental laws and regulations (SC).

• Governor’s deal-closing fund: Some states provide a special fund for closing economic development “deals.” In the following two instances, the state has such a fund with requirements attached to its use.

Georgia has an apparent constitutional prohibition against providing funds to a private entity (“the gratuities clause” - Georgia Constitution Article 3, Section 6, Paragraph 6). In Georgia these requirements might be considered not only for use in such deals but also for use in approving other state incentive monies.

**Governor’s Opportunity Fund (VA)**

• Fund is not a routine financing mechanism; is only used when necessary to close a deal.

• Fund supports projects that create new jobs and investment.
• Fund monies may be used for:
  • site acquisition and development;
  • transportation access;
  • training;
  • construction and build-out of publicly owned buildings; or
  • grants and loans to industrial development authorities.

• Grant requests can be made by localities if all of the following conditions are met:
  • Projects must meet investment and job-creating minimums;
  • Matching local financial participation is required on a dollar-for-dollar basis.

• Grants are made at the discretion of the Governor.

**Quick Action Closing Fund (FL)**

• Established within the Office of Tourism, Trade and Economic Development to respond to extraordinary economic opportunities.

• Enterprise Florida shall evaluate individual proposals for high-impact business facilities regarding the use of fund money.

The evaluation will include a description of the business operation, the number of new jobs created and the total estimated average annual wages of those jobs; the cumulative amount of investment; a statement of special impacts in the state or regional economy and a statement of the role of incentives.

• If approved, a contract is developed which includes net new employment, average salary, total capital investment, methodology for validating performance and sanctions for failure to meet conditions.

• The Governor must consult with the Lt. Governor and Speaker regarding the performance conditions and release of funds.

The following matrix summarizes the economic development tax credit programs in the southeastern states.
Job and Investment Tax Credit Incentives in Southeastern States 1999

This matrix identifies job and investment tax credit features in the southeastern states. This is presented for easy, spot comparisons. A fuller description of state tax credits is presented below.

<table>
<thead>
<tr>
<th>State</th>
<th>Program</th>
<th>Minimum # Jobs &amp; Investment</th>
<th>Eligibility</th>
<th>Credit Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALABAMA</td>
<td>Enterprise Zones</td>
<td>20 jobs with specified wages and a minimum investment of $2 million</td>
<td>New, expansions, headquarters and small business: Industrial, research, warehousing, or recycling facilities</td>
<td>5% credit each year of capital costs against corporate income tax for 20 years. No carry-forward provision</td>
</tr>
<tr>
<td></td>
<td>27 designated locations</td>
<td>5 jobs in the zone</td>
<td>Manufacturing, transportation, utilities, warehousing, distribution centers 30% of employees were formerly unemployed for 90 days</td>
<td>For jobs: (Limit is $2,500 per job per year) Year 1-80%, Year 2-70%, Year 3-40%, Years 4 &amp; 5: 20%. Tax credits against income or franchise taxes due from zone operations</td>
</tr>
<tr>
<td>FLORIDA</td>
<td>Job Credits</td>
<td>at least 10 jobs</td>
<td>New or expanding businesses in targeted industry as defined by Enterprise Florida</td>
<td>$5,000 per job; $7,500 if in EZ. Refund against: S&amp;U tax, CIT, intangible personal property taxes, excise taxes, ad valorem taxes, or insurance premium taxes. Limits $1.5 million per taxable year; not more than $5 million total</td>
</tr>
<tr>
<td></td>
<td>Enterprise Zones</td>
<td></td>
<td></td>
<td>EZ: 10% of actual wages paid on new employee whose wages do not exceed $1,500/mo; 5% for wages more than $1,500/mo. Credit may be taken for 12 months and carried forward for 5 years.</td>
</tr>
<tr>
<td></td>
<td>Investment credits</td>
<td></td>
<td>Investment credits require written agreement with the Department of Revenue and certification from Enterprise Florida</td>
<td>100% corp. tax credit for $100 million 75% credit for $50 million 50% credit for at least $25 million investment</td>
</tr>
<tr>
<td>State</td>
<td>Program</td>
<td>Minimum # Jobs &amp; Investment</td>
<td>Eligibility</td>
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| GEORGIA    | Job Tax Credits: Tier 1-most distressed counties (53 co) Tier 2-moderately distressed (53 co ) Tier 3-Other 583 co | 5 new jobs and economic stimulus | Manufacturing, warehousing & distribution, processing, telecommunications, tourism and R&D industries³ | Jobs must be retained for 5 years Tier 1: $2,500 per job per year Tier 2: $1,500 Tier 3: $500
Credited against corporate income taxes for 5 years with a 10 year carry-forward provision. The limit is 50% of taxes owed. |
|            | Enterprise Zones: local initiative, meet 4 criteria⁴                   |                              | Manufacturing warehousing and distribution, processing, telecommunications, tourism, R&D or service enterprise | Occupation taxes, property taxes, license fees and other local fees and taxes (except sales taxes) may be exempted or reduced for 10 years. |
|            | Investment tax credits by tier category                                 |                              | For manufacturing or telecommunications facilities and support facilities in the state for the previous 3 years; for investments in excess of $50,000 in qualified property purchased or acquired. Higher percentages for recycling, pollution control, and defense conversion activities and optional credits for larger investments. | Property taxes - 100% exemption and declining exemptions over 10 years |
|            |                                                                        |                              |                                                                                                       | Credit is a percentage of investment Tier 1: 5% Tier 2: 3% Tier 3: 1%
Credited against corporate income taxes for 5 years with a 10 year carry-forward provision. The limit is 50% of taxes owed. |
| NORTH CAROLINA | Tier 1 most distressed counties Tier 2: next 25 counties Tier 3: next 25 Tier 4: next 25 Tier 5: next 25 | 5 jobs⁸                      | Warehousing, distribution, manufacturing, data processing, air courier services, air carrier training centers, central administrative offices, and customer service centers | Tier 1: $12,500 Tier 2: $4,000 Tier 3: $3,000 Tier 4: $1,000 Tier 5: $500
Credits against income, franchise, or gross premium taxes. Credits are divided over 4 years. |
|            | Investment credits                                                      |                              | Warehousing, distribution, manufacturing, data processing, air courier services, air carrier training centers, central administrative offices, and customer service centers | Corp. tax credit is 7% of value (of applicable economic tier threshold) taken over 7 years. Investment thresholds: Tier 1: $ -0- Tier 2: $ 100,000 Tier 3: $ 200,000 Tier 4: $ 500,000 Tier 5: $ 1,000,000
The maximum credit is 50% of tax liability Additional job tax credit: $4,000 divided over 4 years |
<p>|            | Development zones⁷                                                      |                              | Wages required: 100% of county level; investment threshold reduced to $0. |                                                                                                                                                  |</p>
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<tr>
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<tr>
<td>SOUTH CAROLINA</td>
<td><strong>Job Tax Credit</strong>&lt;br&gt;Least dev. counties (21)&lt;br&gt;Under dev counties (10)&lt;br&gt;Mod. dev. counties (7)&lt;br&gt;Developed counties (8)&lt;br&gt;Job Development Credit (must submit application for a Revitalization Agreement)&lt;br&gt;Investment Credit</td>
<td>10</td>
<td>Manufacturing, warehousing, tourism facility, processing, distribution, R&amp;D, corporate office facility, qualifying service related facility. Taxpayers that operate retail facilities and service related facilities in least developed counties qualify</td>
<td>Least dev. counties: $4,500 per year&lt;sup&gt;10&lt;/sup&gt;&lt;br&gt;Under dev. counties: $3,500&lt;br&gt;Mod. dev. counties: $2,500&lt;br&gt;Developed counties: $1,500&lt;br&gt;Credits against corporate income tax for 5 years with a 15 year carry forward. Limit is 50% of tax liability.</td>
</tr>
<tr>
<td></td>
<td><strong>Agreed upon employment and investment levels; at least 10 new net jobs</strong></td>
<td></td>
<td><em>Manufacturing, warehousing, tourism facility, processing, distribution, R&amp;D, corporate office facility, qualifying service related facility. Taxpayers that operate retail facilities and service related facilities in least developed counties qualify.</em></td>
<td><em>Credit depends on county status, rate of pay&lt;sup&gt;12&lt;/sup&gt;, and # of new jobs. Qualifying companies are reimbursed for agreed upon expenses. Credit against withholding tax owed&lt;sup&gt;13&lt;/sup&gt; for up to 15 years.&lt;br&gt;1-5% of the total aggregate base over 3-15 year properties (as determined by the applicable recovery period for the property under IRS code). Credit against the corporate income tax. Limit $5 million. 10 year carry-forward.</em></td>
</tr>
<tr>
<td>TENNESSEE</td>
<td><strong>Job and investment credits</strong>&lt;br&gt;25 jobs and minimum capital investment of $500,000&lt;br&gt;Enterprise Zones</td>
<td>25</td>
<td>Manufacturing, warehousing &amp; distribution, processing tangible personal property, R&amp;D, computer services, call centers, corporate offices, or convention and trade show facilities</td>
<td>$2,000; $3,000 for distressed counties&lt;br&gt;Credits are against the corporate franchise tax and the excise taxes for 5 years with a 15 year carry-forward provision and a limit of 50% of the tax liability.</td>
</tr>
<tr>
<td></td>
<td><strong>10</strong></td>
<td></td>
<td>Any business entity except a chain store</td>
<td>$1000 per job</td>
</tr>
<tr>
<td>State</td>
<td>Program</td>
<td>Minimum # Jobs &amp; Investment</td>
<td>Eligibility</td>
<td>Credit Features</td>
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<td>----------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>VIRGINIA</td>
<td>Major facility job tax credit</td>
<td>100 jobs; 50 jobs if in EZ or distressed area</td>
<td>All jobs except: seasonal positions, building &amp; grounds, security and other ancillary activities 25% of new employees must meet low-income standards for the area or reside within a zone.</td>
<td>$1,000 per job in excess of threshold taken in 3 equal installments ($333 per year) with a 10-year carry forward provision. Income tax credit: 80% the first year; 60% in years 2-10.</td>
</tr>
<tr>
<td></td>
<td>Enterprise Zone</td>
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<td></td>
<td></td>
<td></td>
<td>30% credit on property taxes, limit $125,000. The limit is 5 years.</td>
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</table>
1. AL Base wage must be not less than $8 per hour or average total compensation of new employees is not less than $10 including benefits.

2. FL Jobs must pay an average wage of at least 115% of area wages; company must demonstrate the necessity of the refund for business to locate or expand and show a significant economic contribution to the area economy due to new job creation; and provide a resolution from the city or county commission committing the community to match the state’s tax refund on a 1:4 basis.

3. FL When at least 20% of employees are residents of an EZ, the credit increases to 15% of wages paid. 15% also paid for each new employee who is a WAGES Program participant.

4. GA Pervasive poverty, unemployment 10% higher than state average, general economic distress, underemployment.

5. GA In Tier 1, all businesses are eligible in the worst off 40 counties.

6. GA There is an additional $500 per job tax credit for a business locating within the jurisdiction of a joint development authority of two or more contiguous counties.

7. NC Development zones are designated by the Division of Community Assistance.

8. NC Businesses must pay at least 110% (100% in Tier 1) of the county’s wage standard.

9. SC There are 27 counties designated as economic impact zones (EIZ). Investment tax credits are intended to spur economic growth in areas surrounding the Charleston Naval Base, Myrtle Beach Air Force Base, and the Savannah River Site.

10. SC Additional $1,000 per job for locating in a “multi-county industrial park.”

11. SC Must provide benefits package with health insurance.

12. SC Withholding refunds may be used to reimburse the following: land acquisition; building construction, site and building improvements, utility system upgrades, employee training, transportation facilities, and pollution control equipment.

13. SC For counties outside least developed counties, a fraction of the credit is deposited in the Rural Infrastructure Bank. These funds are used to assist distressed areas with infrastructure improvement in order to make them more competitive for investment.
ALABAMA
TAX INCENTIVES

General Tax Environment

Corporate income taxes: Tax is based on net taxable income derived from business conducted within the state. The amount apportioned to Alabama is determined by applying an equally weighted three-factor formula of property, payroll, and sales to total net income.

Corporate franchise taxes: This is an annual tax paid by corporations which conduct business in Alabama. The tax is measured by the capital stock of an Alabama corporation (rate: $10 for every $1,000 of capital stock) or the actual amount of capital employed in the state by a corporation formed in other jurisdictions ($3 for every $1,000 of capital employed in Alabama).

Property taxes: Business property is assessed at 20% of the fair market value; the state millage rate is 6.5 mills. Both cities and counties may levy additional millage rates; the average rate is 43 mills, including the state’s 6.5 mills. Alabama has 67 counties.

State sales tax rates: In general the rate is 4%. The state sales & use tax rate for manufacturing and farm machinery is 1.5%. In addition most cities and counties levy their own sales taxes with similar rate differentials.

Investment and Jobs Tax Credit

To qualify for these credits a firm must meet four requirements:

- The predominate business activity conducted must constitute an industrial, warehousing, computer services or research for new projects, expansion projects, headquarters facilities, or small business additions;
- 20 new employees (15 for small businesses) are required;
- Hourly wages of not less than $8 per hour for each new job or $10 average for all new jobs with benefits, and;
- Capital investment of $2 million minimum ($1 million for small business).

- A tax credit against income tax liability is 5% of capital costs of a project each year for 20 years.

- Capital investment income tax credit is applied after all other deductions, losses, or credits.

- There is no carry forward, carryback, or retroactivity of tax credits.

Enterprise Zones

Twenty-seven designated areas throughout the state were established to stimulate business and industrial growth in depressed areas of the state (both urban and rural) by the relaxation of certain
governmental controls, by providing assistance to new or expanding businesses and industries, and by providing state and local tax and non-tax incentives.

- **Jobs**: If at least 30% of the new permanent employees were formerly unemployed for at least 90 days, the employer qualifies for the following tax credit on taxes due from zone operation: 80% for year 1; 70% for year 2; 40% for year 3; and 20% for years 4 and 5. The tax credit limit per employee is $2,500.

- **For new investments** in the zone or improvements to existing facilities, provided that at least 5 new permanent employees are hired: 10% of the first $10,000 invested; 5% on the next $90,000 invested; 2% on the remaining investment.

- Credit for up to $1,000 per new permanent employee for expenses of **training** those employees.

- Credits may be applied to any corporate tax or franchise tax liability.

- **Requirements for participation in incentive offerings:**
  - Business must be located in the Enterprise Zone.
  - Qualifying business groups are manufacturing, transportation, utilities, or consist of major warehousing, distribution centers, or such other activities having a prospect of significant economic impact without threatening the well-being of existing industries located within the county hosting the zone.
  - May not have closed or reduced employment elsewhere in Alabama.
  - Must obtain an endorsement resolution approved by the appropriate local government.
  - Must certify annually that at least 35% of its employees are residents of the zone or in the hosting zone county and were receiving public assistance prior to employment or were lacking basic skills or considered unemployable or any combination thereof.
  - Must give preference and priority to Alabama manufacturers, suppliers, contractors, and labor when reasonably possible.

**Basic Skills Program Credit**

- Corporate income tax credit of 20% of actual costs of approved basic skills education program.

- Tax credits cannot be carried forward.

**Property Tax Credits**

- Tax abatements of non-educational ad valorem taxes for **new businesses** and for **expansions** of existing facilities:
- New project is any business at which the predominant trade or business activity will constitute an industrial or research enterprise.

- The credit is available to manufacturing, warehousing, computer services, and research entities.
- Total amount of the capital investment is eligible for tax abatement for 10 years.

- A major addition to an existing industrial development property that equals the lesser of 30% of the original cost of the existing land, building, and equipment, OR $2 million.

- Credit is 5% of capital costs of the project over a period of 20 years.

**Franchise Tax Incentives**

- Foreign manufacturing corporations meeting the new job and new investment requirements (see below) can deduct from their Alabama capital employed the amount invested in all new and existing manufacturing facilities, including the investment in all real and tangible personal property, equipment facilities, structures, components and inventory.

- Range of investment and new job requirements for credits/exemptions:
  
  $1 million and 500 employees
  $100 million and 1,400 employees

- Foreign corporations may also exclude from total capital the amount invested in other Alabama corporations which also pay an Alabama franchise tax and the total amount of capital investment in another corporation that does not pay a franchise tax in Alabama if the taxpayer owns 50% of the outstanding capital stock.

**Sales and Use Tax**

- Reduced rate of 1.5% on new machinery in manufacturing.

- General rate of 4% on other equipment and construction materials not used in manufacturing.

- Exemptions include raw materials, pollution control equipment and utility gross receipts tax.
ALABAMA

1999 Legislation - Passed
Selected tax incentive /economic development legislation

- The Alabama Development Office was created within the Office of the Governor. The office consists of the Governor and the State Planning and Development Officer and a chief administrative officer as the Director of Development. This bill authorizes the employment of five additional assistant directors within the ADO. They will not be subject to the merit system law. The director is encourage to hire at least two black employees of the five new assistant directors. (HB 477)

- Under existing law, the State Industrial Development Authority may sell and issue its bonds, not exceeding $100 million in aggregate principal amount, for making grants of money, but the authority shall not issue more that $10 million in any two year period. The amendments remove the two year limitation and provides further for the use of grants.

The Authority is authorized to make grants of money derived from the sale of bonds for any of the following purposes:

- to make surveys to determine the location of suitable project sites;
- to make surveys to determine the availability of labor in the locality and to classify labor in terms of skills and educational level;
- to prepare project sites; or
- any combination of the above.

The 1999 addition to that is that 20% of grant funds shall be expended specifically in rural areas of the state and/or areas with high unemployment and low personal income levels. (HB 566)

- Notification regarding incentives

This law requires that the Director of the Alabama Development Office be notified, orally or in writing, if an entity is considering locating or expanding a facility within Alabama and intends to apply for incentives. The information shall be kept confidential.

The requirement applies to capital investment credits, site preparation grants, funding for access roads and bridges, training or other assistance from the Alabama Industrial Development Training Program where the annual expenditure is expected to be in excess of $1 million, and any direct or indirect cash payment for a project from the state whether in the form of an in-kind contribution of a site, building, equipment or otherwise. The application must be acknowledged by the director.
FLORIDA
TAX INCENTIVES

General Tax Environment

Corporate income tax rate is 5.5%. Corporate income rate base is apportioned using a weighted average, with 25% each to factors for property and payroll, and 50% to sales.

State sales and use tax rate is 6%.

Discretionary surtax: Florida counties are authorized to levy a discretionary surtax on all transactions subject to sales tax.

Property taxes: Properties in Florida are assessed at 98.5% of their market value. There are 66 counties in Florida.

Job Tax Credits for Targeted Industries

• $5,000 per new job created through the expansion or new location of a qualified business (in an enterprise zone the refund is $7,500).

• Targeted industries or corporate headquarters as selected by Enterprise Florida are eligible; these are corporate headquarters or any business with the following criteria:
  • future growth in employment and output indicated by industry forecasts, particularly in international markets;
  • stability, not subject to periodic layoffs;
  • high wages compared to statewide or area averages;
  • market and resource independent (not dependent on Florida);
  • industrial base diversification and strengthening; and
  • strong positive impacts on or to state and regional economies.

• Requirements for participation:
  • Demonstrate the necessity of the refund for business to locate or expand.
  • Create a minimum of 10 jobs.
  • Pay an average wage of at least 115% of the area wage.
  • Show economic contribution to the area economy due to the new job creation.
  • Provide a resolution from the local government committing to match state’s refund on a 1:4 basis.

• Tax refund may be from the following taxes: Corporate income, intangible personal property, sales & use, emergency excise tax, excise taxes on documents, ad valorem taxes paid or insurance premium taxes.
• Limit is $1.5 million in any taxable year and not more than $5 million in all taxable years (in an enterprise zone those limits are $2.5 and $7.5 respectively).

**High Impact Performance Grants**

• Enterprise Florida must undertake a study to determine high-impact sectors which includes specific features (in law); high silicon technology is a high-impact sector.

• New or expanding facility that is designated as a high-impact sectors identified by Enterprise Florida, Inc.

• Must be certified by the state Office of Tourism, Trade, and Economic Development.

• Must have a business agreement with that Office.

• Designated job, investment, and grant levels:

  $100 million and 100 jobs (or $75 million and 75 jobs for R&D facility) qualify for grants of $1 to $2 million;

  $800 million and 800 jobs ($75 million and 75 jobs for R&D facility) qualify for grants of $10 to $12 million.

• A business must reach these levels within 3 years of certification as a high-impact business.

• Total amount of active performance grants may not exceed $30 million or the amount appropriated by the Legislature.

• Application for a grant must include a statement concerning any special impacts the facility is expected to stimulate in the sector, the state, or regional economy and in state universities and community colleges; AND a statement on the role the grant will play in the decision of the applicant business to locate or expand in Florida.

**Quick Action Closing Fund**

• Established within the Office of Tourism, Trade and Economic Development to respond to extraordinary economic opportunities.

• Enterprise Florida shall evaluate individual proposals for high-impact business facilities regarding the use of fund money. The evaluation will include a description of the business operation, the number of new jobs created and the total estimated average annual wages of those jobs; the cumulative amount of investment; a statement of special impacts in the state or regional economy and a statement of the role of incentives.
• The Governor must consult with the Lt. Governor and Speaker regarding the performance conditions and release of funds.

• If proposal is approved, a contract is developed which includes net new employment, average salary, total capital investment, methodology for validating performance, and sanctions for failure to meet conditions.

Corporate Income Tax Credits for Investment

• A written agreement is required with the Department of Revenue and certification from Enterprise Florida.

• **Capital investments** tax credit limits:
  
  • 100% for a project which results in a total capital investment of at least $100 million
  • 75% for an investment of at least $50 million
  • 50% for an investment of at least $25 million

• **Community contribution** tax incentive program

  • 50% of contributions made by business firms to approved public redevelopment organizations engaged in revitalization projects.
  • Limit of $200,000 credit in any one year.
  • Total amount of credit for all approved programs is $5 million.

• **Child care** tax credit - for companies that establish or provide child care facilities or the use of such facilities for their employees as follows:

  • 50% of startup costs of a facility operated by a corporation;
  • $50 per child per month for using company child care facility;
  • 50% of child care payments to cover the costs of a child in an off-site facility;
  • limit: $50,000 in any one year;
  • unused amounts may carry forward for 5 years.

Enterprise Zone Credits

Enterprise Zones are created by local government initiative and resolution followed by state designation. A zone exhibits extreme and unacceptable levels of poverty, unemployment, physical deterioration, and economic disinvestment and that revitalization of such an area can occur only if the private sector can be induced to invest its own resources in productive enterprises that build or rebuild the economic viability of the area.
**EZ Corporate income tax credits:**

- 10% of actual monthly wages for each new employee whose wages do not exceed $1,500 and 5% for wages over $1,500 a month;
- when 20% of the employees are residents of the zone, the credit increase 15% of actual wages;
- 15% credit for each new employee who is a WAGES Program participant;
- credit may be taken for 12 consecutive months;
- unused credits may carry forward for 5 years.

**EZ Property Tax Credits:**

- 90% of ad valorem taxes paid may be credited against the corporate income taxes
  - No less than 20% of a company’s employees must be residents of the zone.
  - If more than 20% of the employees are residents, the maximum allowable credits are $50,000.
  - Limit in any one year is $25,000.
  - Unused portion may be carried forward for 5 years.

**EZ Sales Tax Exemptions:**

- A monthly sales tax credit of 10% is allowed to businesses on wages paid to new employees who have been employed for at least 3 months and are zone residents. Credits are for wages under $1,500/month OR 5% of the first $1,500 of wages exceeding $1,500 paid OR 15% of the first $1,500 of wages paid for each new employee who is a WAGES Program participant.
- A refund is allowed on building materials used to rehabilitate property in a zone.
- A refund is allowed for sales taxes paid on certain business property (industrial machinery and equipment) used exclusively in a zone.

**Sales and Use Tax Incentives**

- Exemptions for industrial machinery and equipment purchased for use in new businesses that manufacture, process, compound, or product for sale items of tangible personal property at a fixed location.
- Sales and use taxes in excess of $50,000 per calendar year for the same items (above) used in expanding businesses are exempt from sales and use taxes. The firm must provide affirmation that items purchased were used to increase the productive output by no less than 10%.
- Exemptions of tangible personal property for the same items (above) fabricated for a person’s own use in R&D.
• Exemption of all goods manufactured or produced in Florida for export outside the state.

• 60% of charges for electricity or steam used to operate machinery and equipment (including pollution control equipment) are exempt from sales taxes. 75% of the electricity must be used to operate qualifying machinery or equipment; 80% of such charges shall be exempt 7/1/99 and 100% on 7/1/00.

• Until 6/30/02 the purchase of solar energy systems and any component of such system is exempt from sales tax.

• Pollution control equipment is exempt from sales and use taxes.

Property Tax Incentives

• Counties and cities can grant 10-year exemptions for new or expanding businesses, if approved by the voters.

• Certified facilities constructed by manufacturing or industrial plants to reduce or eliminate air and water pollution are assessed at a value not greater than their salvage value.

• All business inventories are exempt.

• Goods in transit are exempt for up to 180 days.
FLORIDA

1999 Legislation - Passed
Selected tax incentive /economic development legislation

Florida Empowerment Zone Act (Chapter 99-342, Laws of Florida)

Creates a state companion program to the federal empowerment zone program under which Miami-Dade County was designated an empowerment zone, and the City of Immokalee was designated an enterprise community. The program will provide state funding to leverage these two federal grants of $3.5 million. These two empowerment zone communities shall receive preference in the state’s tax credit programs administered by the Office of Tourism, Trade & Economic Development (OTTED).

Rural Economic Development Initiative (Ch 99-251)

This interagency committee shall recommend to the Governor up to three rural areas (may be multi-county) to be declared rural areas of critical economic concern. Such areas will be given priority consideration in state programs, and rules may be waived to assist them. This legislation also creates a rural infrastructure fund to leverage other state and federal programs to do water, sewer, drainage and other public works. It is established to leverage CDBG funding.

Expedited Permitting (Ch 99-244)

This creates a statewide, one-stop permitting system using the Internet.

Sales Tax Exemption - Machinery Repair (Ch 212-08)

This legislation provides an exemption for sales, use and storage tax imposed for labor charges for the repair of, and parts and materials used in the repair of industrial machinery and equipment which is used for the manufacturing, processing, compounding, or production of items of tangible personal property at a fixed location in Florida.
GEORGIA
TAX INCENTIVES

General Tax Environment

**Corporate income tax** rate is 6%; Georgia uses double-weighting of the sales factor in income apportionment.

**State sales tax** rate is 4% and local governments have the option for additional assessments of up to 3%.

**State property tax** rate is 1/4 of one mill; rates of local jurisdictions vary. Georgia has 159 counties.

**Note:** "BEST" is the Business Expansion Support Act passed originally in 1994 with a number of amendments since that time (HB 336 and HB 570 of 1995, HB 1501 of 1996, HB 428 in 1997, HB 1667 and HB 1597 of 1998, and HB 610 of 1999), Georgia Code Sections 48-7-40 to 48-7-42.

BEST includes job and investment tax credits based on county tier rankings and other corporate tax credits.

**Job Tax Credit**

- For business or headquarters engaged in manufacturing, warehousing & distribution, processing, telecommunications, tourism, and R&D industries. In the worst off 40 counties in Tier 1, credits are allowed to any business [Georgia Code 48-7-40 (i)].

- Credit against corporate income tax; amount by county (or census tracts) tier designation:
  
  - Tier 1 (counties 1-53) $2,500 per year per job
  - Tier 2 (53-106) $1,500 per year per job
  - Tier 3 (107-159) $500 per year per job

- Jobs must be retained to maintain credit; credits occur during years 2-6.

- County rankings are based on
  (a) highest unemployment rates;
  (b) lowest per capital income;
  (c) highest percentage of residents below poverty level; **and**
  (d) average weekly manufacturing wage.

- Total credit cannot be more than 50% of taxpayer’s state corporate income tax liability per year.

- Unused credits may be carried forward for 10 years.
Investment Tax Credit

- Based on the same county tier ranking as the Job Tax Credit.
- For manufacturing or telecommunications facilities or support facilities in the state for previous 3 years.
- Credit applies to investments in excess of $50,000. The credit against the corporate income tax is a percentage of the total value of the qualified property:

<table>
<thead>
<tr>
<th>Tier</th>
<th>Credit Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>2</td>
<td>3%</td>
</tr>
<tr>
<td>3</td>
<td>1%</td>
</tr>
</tbody>
</table>

For recycling, pollution control, and defense conversion activities, the credits are 8%, 5%, and 3%, respectively.

- Limit is 50% of taxpayers total corporate income tax liability for the year.
- Unused credits may be carried forward for 10 years.
- For larger investments, there is an optional credit which may be claimed for 10 years:

<table>
<thead>
<tr>
<th>Tier</th>
<th>Minimum Investment</th>
<th>Credit Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$5 million</td>
<td>10%</td>
</tr>
<tr>
<td>2</td>
<td>$10 million</td>
<td>8%</td>
</tr>
<tr>
<td>3</td>
<td>$20 million</td>
<td>6%</td>
</tr>
</tbody>
</table>

Retraining Tax Credit

- For skill enhancement or retraining.
- Program must be approved by the Department of Technical and Adult Education.
- Program must be provided at no cost to the employee.
- Credit is equal to 50% of the costs of retraining each full-time employee up to $500. The credit cannot be more than 50% of taxpayer’s total state corporate income tax liability.

Child Care Tax Credit

- For employers who provide or sponsor child care.
- Credit equals 75% of the employer’s direct cost.
• Limit is 50% of total state corporate income tax liability.

• Unused credit may be carried forward for 5 years.

• Recapture credits for qualified child care property.

**Research and Development (R&D) Tax Credit**

• For research conducted within Georgia by firms eligible for IRS research credit.

• For businesses that qualify for the JTC.

• Credit is 10% of the additional research expense over the “base amount.”

• Limit is 50% of total state corporate income tax liability.

• Unused credit may be carried forward for 10 years.

**Small Business Growth Companies Tax Credit**

• For businesses that qualify for the JTC.

• Industry must have a net taxable income 20% more above the preceding year in each of the 2 preceding years.

• Credit shall be the excess over 20% of the percentage growth and not exceed 50% of the corporate tax liability.

• Company’s tax liability must not exceed $1.5 million.

**Ports Activity Job and Investment Tax Credits**

• Credit for companies that increase port traffic tonnage through Georgia ports by more than 10% over 1997 base year port traffic OR 75 net tons, five containers, or 10 TEUs (twenty-foot equivalent units) during the previous 12-month period.

• Must meet BEST criteria.

• Investment and credit ranges:

  Tier 1       $3,500 per job
  Tier 2       $3,000 per job
  Tier 3       $2,500 per job

OR, IN ANY TIER, 5% investment tax credit, or 10% optional investment tax credit.
• A company creating 400+ new jobs, investing $20+ million in new and expanded facilities, and increasing their port traffic by more than 20% above their base year may take BOTH job and investment tax credits.

Sales Tax Exemptions

• replacement, upgrades or additions to manufacturing machinery used directly in the manufacture of tangible personal property;

• machinery used directly in the manufacture of aircraft engines, parts, and components;

• primary material handling equipment used directly for the storage, handling, and movement of tangible personal property in a new or expanding warehouse or distribution facility;

• electricity purchased that interacts directly with a product being manufactured when total cost of the electricity exceeds 50% of the cost of all the materials used in making the product.

Enterprise Zones (Georgia Code Section 36-88-1 to 36-88-9; HB 661, 1997)

• Local governing body or bodies are authorized to designate one or more geographic areas as enterprise zones.

• Nominated area must meet at least 3 of 4 criteria defined in the statute:
  • Pervasive poverty
  • Unemployment 10% higher than state average
  • General distress
  • Underdevelopment

• In such zones, local ad valorem taxes, occupation taxes, license fees and other local fees and taxes (except sales and use taxes) may be exempted or reduced.

• Credits are available to businesses involved in manufacturing, warehousing and distribution, processing, telecommunications, tourism, and research and development industries OR a service enterprise (finance, insurance or real estate).

• Minimum of 5 new full-time jobs must be created and the quality and quantity of the additional economic stimulus must be determined on a case-by-case basis by the local governing body that designated the zone. Whenever possible, 10% of the new employees shall be low-income people.

• Property tax exemptions:
  • 100% for the first 5 years
  • 80% for the next 2 years
- 60% for the next year
- 40% for the next year
- 20% for the last year

If the project consists of rehabilitation of existing structures and the value of the improvement exceeds the value of the land by 5:1, then the exemption applies to any business.
GEORGIA
1999 Legislation - Passed
Selected tax incentive /economic development legislation

HB 610
This legislation increases the state income tax credit for the operating cost of employer provided or employer sponsored child care. The credit is 75% of the cost of operation to the employer less amounts paid by employees.

It also provides additional credits to employers who construct on-site qualified child care facilities. The new provisions are applicable in taxable years beginning 1/1/00.
NORTH CAROLINA
TAX INCENTIVES

General Tax Environment

Corporate income tax rate is 6.9% (after 1999).

State sales tax rate is 4% and local governments have the option of additional rates.

Property taxes locally assessed and collected. North Carolina has 100 counties.

William S. Lee Quality Jobs and Expansion Act of 1996 &
The Economic Opportunity Act of 1998

Note: The William S. Lee Act adopted in 1996 to attract new companies to NC is a package of state
tax credits including a jobs credit, an investment tax for machinery and equipment, a R&D credit,
and a worker training credit.

General Provisions

• Tax credits can be taken against the income, franchise, or gross premiums tax.

• There is a five-year carry-forward for each eligible year.

• The total value of credits cannot exceed 50% of annual tax liability.

Job Creation Tax Credit

• Firms must have at least 5 full-time employees.

• Businesses qualify if they are in one of the following categories: manufacturing-processing,
   warehousing, air courier services, distribution, data processing, or central administrative office.

• Businesses must pay at least 110% (100% in Tier 1) of the county’s wage standard.

• A $75 application fee must accompany each application.

• Tier location determines amount of tax credit per job.

• Credits are taken in equal installments over four years.
Investment Tax Credit

- The Investment Tax Credit is equal to 7% of the value of machinery and equipment placed in service in North Carolina by eligible new or expanding firms.

<table>
<thead>
<tr>
<th>Tier</th>
<th>Threshold</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1 (most distressed counties)</td>
<td>$0</td>
<td>$12,500</td>
</tr>
<tr>
<td>Tier 2 (next 15 counties)</td>
<td>100,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Tier 3 (next 25 counties)</td>
<td>200,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Tier 4 (next 25 counties)</td>
<td>500,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Tier 5 (next 25 counties)</td>
<td>1,000,000</td>
<td>500</td>
</tr>
</tbody>
</table>

- Credit is taken in equal installments over the 7 years (capital purchases and capital leases).
- Letter of commitment must be filed prior to the start of the project.
- Large investment enhancements:
  - Qualifying taxpayers can take carry forwards over a 20-year period.
  - A taxpayer must certify that he will purchase or lease at least $150 million worth of real estate, machinery and equipment, or Central Administrative Office property.

Worker Training Tax Credit

- Firms eligible for job creation or investment tax credits can take a credit against eligible training wages for eligible employees.

- “On the job” training wages are not eligible.

- Maximum credit is $1,000 per employee trainer in Tier 1 and Development Zones; $500 in all other tiers.

Research and Development Tax Credit

- Firms that qualify for the federal Research and Experimentation Tax Credit may take a state tax credit equal to 5% of the state’s apportioned share of the taxpayer’s expenditures for R&D.

- A firm claiming the alternative incremental credit under the IRS Code is allowed a credit equal to 25% of the state’s apportioned share.

Central Administrative Office Credit

- For purchased property, the credit equals 7% of the property cost.
• For leased property, the credit equals 7% of the taxpayer's lease payments over an eight-year period, plus expenditures made by the taxpayer to improve the property if the expenditures are not reimbursed or credited by the lessor.

• The maximum credit allowed is $500,000.

• A central office must hire at least 40 full-time administrative positions to fill new positions.

• The credit is taken in equal installments over the 8 years.

**Development Zone Enhancements**

• A zone is defined as an area of one or more contiguous census tracts or block groups (1) in a city of over 5,000; (2) having a population of 1,000 or more; and (3) more than 20% of its population is below the poverty level. A zone keeps its designation for 4 years.

• Taxpayers in development zones gain additional tax credit enhancements.

• The taxpayer is considered to be in Tier 1 for purposes of the wage standard test, investment tax credit threshold, and worker training tax credit.

• The taxpayer must provide the number of new jobs created in the zone that were filled by residents of the zone.

• Those who qualify can get an additional $4,000 tax credit for each job created; there is a zero threshold for machinery and equipment investment and up to $1,000 credit for worker training.

**Industrial Parks in Two Counties**

Developments in two-county industrial parks qualify for the lower tier designation if:

• the counties are contiguous;

• at least 1/3 of the park is located in the county with the lower tier designation;

• the part is owned by the two counties or an agency of two counties; and

• the county with the lower tier contributed at least half of the cost of developing the park.
Business Property Tax Credit

- There are no tier thresholds, wage tests, industry classifications or applications for this credit.
- This credit equals 4.5% of tangible personal business property capitalized under the tax code.
- Maximum single-year credit of $4,500.
- Credit is taken in five equal installments.
NORTH CAROLINA

1999 Legislation - Passed
Selected tax incentive /economic development legislation

William S. Lee Act - 1999 Amendments

• Sunset extended from 2002 to 2007.

• Enhanced Tier 1 and 2 Incentives:
  • Include customer service center (effective 1/1/00).
  • Allow annual refund of 6% sales taxes paid on capitalized machinery and equipment sold to eligible businesses.

• Credit for contributions to nonprofits for capital projects within development zones (effective 1/1/00).

• Credits may be taken against insurance premiums tax, in addition to corporate income and franchise taxes (effective 1/1/99).

• Require businesses to provide a portion of health insurance costs and meet environmental, safety, and health standards in order to qualify for credits (effective 1/1/00).

• Eliminate $75 application fee for credits in Tiers 1 and 2 and increase the fee to $500 per credit in other tiers with a cap of $1,500 per applicant (effective 9/3/99).

• Require applicants for credits to provide additional information to enable the Commerce Department to evaluate the effectiveness of the credits in providing employment to residents of development zones (effective 7/1/99).

• Clarify definitions of eligible industries:
  • "Customer service center" is an auxiliary subdivision of a telecommunications or financial services company, as defined by the North American Industry Classification System (NAICS), that is primarily engaged in providing support services to the company’s customers by telephone to support products or services of the company. For the purpose of this definition, a subdivision is primarily engaged in providing support services by telephone is at least 60% of its calls are incoming;
  • "Data processing" is any of the following industries, as defined by the NAICS: computer systems design and related services, software publishers, software reproducing, data processing services, or online information services;
  • "Electronic mail order house" is an electronic shopping and mail order house as define by the NAICS.
• New Air Carrier Incentives:
  • Add passenger air carrier training center to credits for central administrative office (effective 1/1/99).
  • Allow an interstate passenger air carrier a sales tax exemption for aircraft parts and accessories purchased for use at a NC hub (Effective 5/5/99).
  • Reduce sales tax from 6% to 1% with an $80 cap for flight crew training aircraft simulators purchased by an interstate passenger air carrier for use at its NC hub (effective 5/5/99).

• Other new incentives:
  • Credit for rehabilitating or constructing affordable housing (effective 1/1/00).
  • Projects are required to obtain an environmental certification in order to qualify for funding from the Industrial Development Fund (effective 7/1/99).
  • Allow a five-year sales tax refund to certain nonprofit insurance companies for taxes paid on building materials (effective 1/1/00).

Technology Commercialization Credit (SB 1110)

• A new investment tax credit that is an alternative to the targeted 7% credit under the Bill Lee Act.

• Credit may be taken against the income tax, the franchise tax, or both.

• Credit may be carried forward 20 years.

• Applies to investments in machinery and equipment that meet the following conditions:
  • Machinery and equipment used in production based on technology licensed from a research university.
  • Investment is located in Tiers 1, 2, or 3.
  • Investment amounts to at least $10 million during the taxable year and at least $100 million over a five-year period.
  • If the investment amount is $100 to $150 million during a five-year period, the credit is equal to 15% of the amount invested. If the amount is at least $150 million, the credit is 20%.
  • The credit is available for 10 years of investments at a single location.
  • The credit is not required to be offset by machinery and equipment sold to another taxpayer if the new owner keeps the machinery and equipment in NC, nor if the taxpayer takes it out of service at a separate location and was used in a business that is not competitive with the technology commercialization business.
SOUTH CAROLINA
TAX INCENTIVES

General Tax Environment

Corporate income tax rate is 5%; it uses double-weighting of the sales factor in income apportionment.

State sales tax rate is 5% with a local 1% option.

South Carolina has 46 counties.

Job Development Credit  [Enterprise Zone Act, SC Code 12-10-80]

• Business must be engaged in manufacturing, tourism, processing, warehousing, distribution, R&D, corporate offices, or qualifying service related facility.

• Business must provide benefits package which includes health care.

• Business must enter into a Revitalization Agreement approved by the Advisory Coordinating Council for Economic Development setting forth the number of jobs to be created and capital to be expended (generally over $400 million is required).

• Council determines incentives (variable, based on county tier and wage levels) and certify that total benefits exceed total costs to the public).

• Tax credit against employee withholding taxes based on county location, rate of pay (from 2% to 5% credit based on wage differentials from $6.62 to over $16.55) and number of new jobs.

• Credit must be used for:
  
  • training costs and facilities;
  • acquiring and improving real estate (regardless of how acquired);
  • improvements to utility systems;
  • fixed transportation facilities; or
  • construction or improvements to comply with environmental laws and regulations.

• Business may negotiate for job retraining credit equal to $500/year for each employee.

• Limit of $2,000 over 5 years for any single employee.
Corporate Tax Credits

1. **Job Tax Credit** (SC Code Section 12-6-3360)
   - Business must be engaged in manufacturing, tourism, processing, warehousing, distribution, R&D, corporate offices, or qualifying service related facility.
   - Companies must create a minimum of 10 new jobs in a year to qualify.
     - Least developed counties (21) $4,500 credit per job
     - Under developed counties (10) $3,500 credit per job
     - Moderately developed counties (7) $2,500 credit per job
     - Developed counties (8) $1,500 credit per job
   - Credits may be taken for 5 years beginning in year 2 after new jobs are created.
   - An additional credit of $1,000 will be added to a company locating in a “multi-county industrial park.”
   - Credits may be used against 50% of the company’s corporate income tax.
   - Credits have a 15 year carry-forward provision.

2. **Corporate Headquarters Credit**
   - Credit equal to 20% of lease cost for five years, OR 20% of the building design/construction costs.
   - Companies must create at least 75 jobs performing headquarters functions, services, or R&D.
   - Jobs created must have an average cash compensation level of more than 1.5 times the SC per capita income at the time the jobs are filled.
   - Credit may be used to eliminate the company’s corporate income tax liability for up to 10 years.

3. **Credit for Infrastructure Construction**
   - Credit against corporate income tax equal to 50% of expenses or contribution incurred in building or improving any one infrastructure project that
     - does not exclusively benefit the taxpayer,
     - is built to applicable standards, and
     - is dedicated to public use.
• Credit limit of $10,000 per year.

• Unused credit, up to $30,000 may be carried forward 3 years.

4. Investment Tax Credit

• An investment tax credit is available for qualified manufacturing and production equipment properties placed in service in an economic impact zone. These are one-time credits established to spur economic growth in areas surrounding the Charleston Naval Base, Myrtle Beach Air For Base and the Savannah River Site.

• The credit is up to 5% of the company’s investment in new production equipment; the actual credit depends on the applicable recovery period for property under the Internal Revenue Code.

• Credit does not apply to any property to which other tax credits have been taken.

• Unused credit may be carried forward for 10 years.

5. Child Care Tax Credit

• Companies may claim a credit to the corporate income tax, bank tax, or premium tax for costs incurred in operating a child care program or for providing child care benefits to employees.

• Credit can be claimed for payments made directly to licensed or registered independent child care facilities for the benefit of, an employee.

• Company may claim a credit equal to 50% of the payments incurred by the employer.

• Limit is $3,000 per employee.

• This credit may be in addition to other credits.

• Unused credits have a 10-year carry-forward provision.

6. Credit for Hiring Family Independence Recipient

• Tax credit to employers who employed persons who receive Family Independence payments for 3 months immediately before becoming employed.

• Employer must make health insurance available on a basis as is available to other employees.
• Credit is equal to:
  • 20% of wages paid for each of the first 12 months of employment
  • 15% of wages paid for each of the second 12 months of employment
  • 10% of wages paid to such employee for each of the third 12 months of employment.

• Employer may claim BOTH the Job tax credit and Family Independence credit.

• Family Independence Credit is limited to $5,500 (except for employers in least developed counties).

7. Corporate Income Tax Moratorium

A moratorium on corporate income taxes for 10 years is available:

• For a business qualifying under the Enterprise Zone Act who enters into a revitalization agreement with the Council.

• Business must create at least 100 new full-time jobs in a county with average unemployment of at least twice the state average during the last two calendar years. In 1996-7 four SC counties were in the described category.

• Business places at least 90% of its investment in the state in a county with average unemployment of at least twice the state average.

• If 200 jobs are created, the moratorium period is extended to 15 years.

Property Tax Incentives

• Companies locating with an investment of $50,000 or more receive an abatement of the county ordinary portion of their property taxes.

• Limit is 5 years.

• Companies continue to pay the portion of property taxes for local public schools.

Fee in Lieu of Property Taxes

Manufacturing real or personal property is assessed at 10.5% of fair market value. Commercial personal property is assessed at 10.5% while commercial real property is assessed at 6%. There are three fee in lieu of property tax options ("Big Fee", the "Little Fee", and the "Simplified Fee"). Special fee in lieu provisions exist for very large investments ("Super Fee" or "Enhanced Fee").
Companies that invest $5 million or more in South Carolina in a five-year period may negotiate fee-in-lieu of property taxes with a county to obtain a reduced assessment and a lower than normal millage rate for a period of up to 20 years.

- Property subject to the fee usually consists of land, improvements to land, and/or machinery and equipment located at the project.

- Company may negotiate to pay a fee instead of paying property taxes (negotiated to a lower rate).

- In any fee “category” the project must be located in a single county, in a multi-county industrial park, or, if certain agreements are made with the counties, the property may straddle contiguous counties.

- Counties must make findings of public purpose.

- Company and county can agree to freeze the millage rate applicable to the property, or adjust the millage rate every five years for the period the fee is in effect.

- The value of the personal property is depreciated while the value of real property remains constant and is not subject to inflation.

- Period of the fee is 20 years (variable by type of fee).

Sales and Use Tax Exclusions and Exemptions

SC levies a 5% sales tax statewide and its counties may levy an additional 1% to fund infrastructure projects or provide property tax relief. However, manufacturers are provided with various exemptions:

- Equipment used in the production process;
- Electricity and fuels used in the production process;
- Raw materials;
- Repair parts; and
- Packaging materials.
SOUTH CAROLINA

1999 Legislation - Passed
Selected Tax Incentive and Economic Development Issues

Amendments in H 3359 include:

• To receive a credit the establishment, expansion, or addition of a corporate headquarters or R&D facility must result in the creation of at least 75 new full-time jobs performing either headquarters related functions or R&D related functions.

The jobs must have an average cash compensation level of more than 1.5 times the per capita income of the state and an average SC employee cash compensation level for all employees in the state of more than 2 times the per capita income of the state.

• A taxpayer constructing or operating a qualified recycling facility is entitled to credits against corporate incomes taxes, sales or use taxes, corporate license fees, or any tax similar. Unused credits may be carried forward until exhausted.

• Counties shall be ranked and designated using per capita income and unemployment rate data from the most recently available three years.

• The credit designation is increased for five years for a county with a qualified military installation or federal facility.

• "Qualifying service-related facility" means an establishment engaged in health services or a business (other than legal, accounting, or investment services or retail sales) which has a net increase of at least

  250 jobs in one location;
  150 jobs in a single location with an average cash compensation level of more than 1½ times the per capita income in the county;
  75 jobs and 2 times per capita income; or
  30 jobs and 2½ times the per capita income.

• It is discretionary with the Advisory Coordinating Council for Economic Development to enter into a revitalization agreement with a qualifying business.

Amendments in H 3836 include:

• New Title 36, Chapter 33 to provide for tax increment financing by counties for redevelopment projects;

• New credits, exemptions, and depreciation allowances for infrastructure to include improvements to electric, natural gas, and telecommunications systems; fixed transportation
facilities including highway, road, rail, water, and air; and including a shell building and land owned by a political subdivision for purposes of attracting business or industry;

- an exemption attire required in certain clean room environments;

- depreciation allowances for manufacturer’s machinery and equipment including semiconductors, certain computer and computer peripheral displays, and telecommunication devices and certain clean room modules and associated systems;

- job development tax credit, beginning in taxable years after 1998 and available on 1/1/00 against withholding taxes for a tire manufacturer which commits to $350 million and 350 jobs within five years with specified wage ranges pursuant to a revitalization agreement;

- job tax credit against state income tax to include in the definition of “new job” a reinstate job at a facility rebuilt after involuntary conversion resulting from the exercise of eminent domain;

- definitions for the enterprise zone act of 1995 to include the new definition of “new job” a reinstated job; and

- a moratorium on state income taxes for a company creating jobs in certain counties with two times the average annual unemployment rate for two years and at least 90% of the investment in specified counties.
TENNESSEE
TAX INCENTIVES

General Tax Environment

**Excise tax** rate is 6%; rate is based upon the net earnings of operations conducted within the state.

**Franchise tax** is based upon the asset value of the corporation. The assessment is 25 cents per $100 against the higher of two formulas based on either outstanding stock, surplus and undivided profit, or book value of real and tangible property owned or used in the state.

**State sales tax** rate is 6%, plus a 1-2.75% local tax rate. Tennessee has 95 counties.

Job Tax Credit

- Tax credit of $2,000 against the corporate franchise tax and the excise taxes per new full-time employee (or credit of $3000 in economically distressed counties, as defined by the Department of Economic and Community Development):
  - Credit available to businesses that meet the following requirements:
    - a minimum 25 new full-time jobs;
    - additional capital investment of $500,000; and
    - a minimal health care plan;
  - Eligible businesses: creation or expansion of manufacturing, warehousing and distribution, processing tangible personal property, research and development, computer services, call centers, corporate offices, or convention or trade show facilities;
  - The employer must file a business plan with DOR in order to qualify;
  - Unused credits may be carried forward for 15 years.

Corporate Excise Tax

- Companies may receive 1% excise tax credit for:
  - the purchase, installation and/or repair of qualified industrial machinery;
  - the purchase of qualified equipment associated with the required $500,000 capital investment by a distribution or warehouse facility;
  - the purchase of computers, computer networks, software, computer systems, telephone systems and any peripheral devices purchased to reach the required capital investment to qualify for the jobs tax credit.
• Net operating loss may carry forward 15 years.

• All capital losses may be claimed the year incurred.

• Credits that may be taken against the excise tax include job tax credit, the child day care center credit, and insurance premium tax credit.

Franchise Tax

• No franchise tax on:
  • finished goods inventory in excess of $30 million for fiscal year beginning on 7/15/98;
  • property under construction, not being utilized by corporation;
  • pollution control equipment.

• Property rented from an industrial development board may be capitalized on the corporate books.

• For companies that increase Tennessee investment while also doing business in other states, Tennessee offers double-weighted sales apportionment formula for franchise and excise taxes.

• Credits include Job Tax Credit, child day care centers, and insurance premium tax credit.

Enterprise Zone Credits

• An enterprise zone may be created by municipalities or counties with a metropolitan form of government.

• Qualified business is any entity except for chain stories.

• A zone must be in a metropolitan statistical area of over 50,000 population with 4,000 in the zone or 1,000 persons if not in an MSA.

• Area shall be a “pocket of poverty,” that is, urban development action grant eligible (UDAG):
  • average unemployment 1½ times the national average for 42 months;
  • poverty rate of at least 20% or more in all census tracts; and
  • 70% of households below 80% of median income or a total population decrease of 20% during the last two censuses.

• Zones receive priority for federal CDBG funds, UDAG funds, and local capital improvement funds.
• Zones may set up nonprofit development corporations to manage property, accept grants and make loans and grants.

• Local resolutions define incentives that are in the best interest of the welfare of the community.

Job tax credits $1,000 per employee

• Minimum of 10 new employees;

• Limit of $100,000 or 50% of excise tax liability;

• Carry forward for up to 2 fiscal years.

Sales and use tax reimbursement

• Building materials

• Must have in excess of 45,000 square feet

Excise tax credit

• 1.3% of purchase price of industrial machinery

• Unused credits carried forward for 2 fiscal years

Business tax exemption

• Exemption from taxes imposed by state and local government on privilege of selling goods or services

Public school contribution

• 20% of contributions within the zone

• Limited to $100,000

Property Tax

• No property tax on:
  • goods-in-process
  • finished goods inventories in hands of manufacturers
  • inventories of merchandise for sale
• goods in transit (freeport)
• pollution control equipment required for compliance with environmental protection laws

Sales and Use Tax

• No sales tax on:
  • purchases, installation and repairs of qualified industrial machinery;
  • purchases or equipment associated with the required capital investment of $10 million by a distribution or warehouse facility;
  • raw materials for processing;
  • pollution control equipment of manufacturers;
  • manufacturers’ use of energy fuel and water if used directly in the manufacturing process and separately metered;
  • any materials that become a component part of the finished product;
  • containers, labels and packaging materials if they are sold with or accompany the product at no additional charge.

• Reduced sales tax rates for manufacturer’s use of energy fuel and water.

• Credit of 5.5% for sales and use taxes paid on building materials, machinery and equipment used in new or expanded regional, national or international headquarters. This requires a capital investment of $50 million.

• Refund taxes paid on goods and services by motion picture production companies filming or producing in Tennessee. This requires expenditures of $500,000.

Day Care Incentive

• Credit against corporate franchise and excise taxes for businesses that establish a day care center for employee’s children.

• Includes planning, site preparation, construction, renovation or acquisition of facilities for the purpose of child day care.

• Credits may not exceed $25,000.
TENNESSEE

1999 Legislation - Passed
Selected tax incentive /economic development legislation

(Title 67, Ch 4, Parts 8 and 9; PC 408)

- The new franchise and excise taxes will apply to any business entity which enjoys some form of limited liability protection. The minimum franchise tax has been increased to $100.

- The availability of the job tax credit has been expanded and now applies to both the franchise and excise taxes.

Minority-owned businesses

- Directs industrial development corporations to assist and encourage minority-owned and other disadvantaged businesses. (TCA Title 7, Ch 53)
VIRGINIA
TAX INCENTIVES

General Tax Environment

Corporate income tax rate is 6%; no unitary tax is levied on Virginia companies’ worldwide profits. The sales factor in the state’s income apportionment formula is double-weighted (effective 1/1/00).

Property taxes. Counties and cities are separate taxing entities. A company pays either county or city taxes, depending on its location. If it is in town, it pays town taxes as well as county taxes. Localities do not have separate school district taxes. Virginia has 95 counties.

Sales and use tax rate is 4.5%. (combined state and local sales and use tax rate)

Job Tax Credit for Major Business Facilities

- Companies locating in enterprise zones or economically distressed areas are required to meet a 50-job threshold; all other locations have a 100-job threshold.
- The $1,000 credit against the corporate income tax is available for all qualifying jobs in excess of the threshold and is taken in equal installments over three years.
- Non-qualifying jobs include: seasonal jobs, building and grounds maintenance, security, and other positions ancillary to the principal activities of the facility.
- Unused credits may be carried over for up to 10 years.

Enterprise Zones

- 47 locations in VA are designated as enterprise zones (55 zones are authorized) and may receive incentives to encourage job creation and investment within designated zones. Each zone community may offer additional local incentives.

General Tax Credit

- 10 year credit against state income tax;
- Small business: Up to $15 million investment, 50 jobs and 80% credit in the first year; 60% in years 2-10;
- Larger business: Over $15 million investment creating 50 or more jobs - credit negotiable;
- 25% of new employees must meet low-income standards and live in the Zone;
- Business can select any 10 consecutive years to take credit.
• **Refundable Real Property Investment Tax Credit**
  
  • Businesses that rehabilitate property or undertake new construction receive a credit of 30% of zone real property improvements.
  • Maximum credit within $125,000 within a 5-year period.

• **Investment Tax Credit of Investments over $100 million**
  
  • Businesses investing over $100 million in plant and machinery and creating 200 jobs are eligible for a negotiated state income tax credit up to 5%.

• **Job Grants**

  • Businesses creating new full-time positions are eligible to receive grants for 3 years of up to $500 per job ($1,000 if a Zone resident);
  • Maximum grant to one firm is $100,000 a year for the 3-year grant period;
  • Not available to businesses receiving the major facility job tax credit.

**Technology Zones**

• Cities, counties, and towns have the ability to establish one or more technology zones to attract and grow targeted industries.

• Qualified businesses may receive local permit and user fee waivers, local tax rebates, special zoning treatment or exemption from ordinances for up to 10 years.

• Currently there are 5 localities that have established zones.

**Governor’s Opportunity Fund**

• Fund is not a routine financing mechanism; is only considered when necessary to close a deal.

• Fund supports projects that create new jobs and investment in accordance with statutory criteria.

• Qualified activities are:

  • site acquisition and development;
  • transportation access;
  • training;
  • construction and build-out of publicly owned buildings;
  • grants and loans to industrial development authorities.
Grant requests can be made by localities if all of the following conditions are met:

- Projects must meet investment and job-creating minimums;
- Matching local financial participation is required on a dollar-for-dollar basis;
- Grants are made at the discretion of the governor.

**Clean Fuel Vehicle Job Creation Tax Credit**

- Businesses manufacturing or converting vehicles to operate on clean fuel and manufacturers of components for use in clean fuel vehicles are eligible to receive an income tax credit for each new full-time job created over and above the previous year’s employment level.

- The credit is $700 in the year the job is created, and in each of two succeeding years, for a maximum of $2,100 per job.

- Unused credits may be carried forward for 5 years.

- Businesses receiving this tax credit are not eligible to receive the major business facility job tax credit.

**Clean Fuel Vehicle Tax Credit**

- Corporate income tax credit available to companies that purchase clean fuel vehicles or invest in related refueling facilities.

- Credit is equal to 10% of the IRS-allowed deduction or credit for these purchases.

**Recycling Equipment Tax Credit**

- Corporate income tax credit is available to manufacturers for the purchase of certified machinery and equipment used for processing recyclable materials in taxable years between 1/1/95 and 1/1/05.

- Credit is equal to 10% of the total original capitalized cost of the equipment.

- The amount cannot exceed 40% of the company’s tax liability before the credit.

- Unused amount may be carried over for 10 years.

- For corporations making an investment of at least $350 million before 1/1/03, an annual credit is allowed of up to 60 percent of the liability; unused credits may be carried forward for up to 20 years.
Day Care Facility Investment Tax Credit

- Tax credit equal to 25% of all expenditures incurred in the construction, renovation, planning or acquisition of facilities for the purpose of providing day care for children of company employees.

- The maximum credit is $25,000.

Neighborhood Assistance Tax Credit

- An income tax credit is provided for companies that make donations to neighborhood organizations conducting approved community assistance programs for impoverished people.

- Qualifying activities include emergency assistance, job training or educational assistance, housing assistance, and crime prevention programs.

- The credit is 45% of the total donation.

- Unused credits may be carried forward for 5 years.

- Applications for credits are made by the neighborhood organizations.

Worker Retraining Tax Credit

- Corporate income tax credits equal to 30% of all expenditures made by the employer for worker training, beginning 1/1/99.

Property Tax Exemptions

Counties and cities are separate taxing entities; a company pays either county or city taxes, depending on its location. Virginia localities do not have separate school district taxes. The following are exempt properties:

- Intangible property;

- Manufacturers’ inventory; and

- Manufacturers’ furniture, fixtures, or corporate aircraft.

Localities have the option to fully or partially exempt the following property from taxation:

- Certified pollution control facilities and equipment;

- Certified recycling equipment;
- Rehabilitated commercial/industrial real estate for up to 15 years;
- Manufacturers’ generating and co-generating equipment; and
- Certified solar energy devices.

Localities may elect to tax the following tangible personal property at reduced rates:

- R&D tangible personal property;
- Semiconductor manufacturing machinery and tools;
- Data processing computer hardware;
- Aircraft; and
- Clean fuel vehicles.

Sales and Use Tax Exemptions

- Manufacturers’ purchases used directly in production, including machinery, tools, spare parts, industrial fuels and raw materials;
- Items purchased for resale by distributors;
- Certified pollution control equipment facilities;
- Custom computer software;
- Purchases used in R&D;
- Most film, video and audio production-related purchases;
- Charges for Internet access, related communications services and sales of software via the Internet.
VIRGINIA

1999 Legislation - Passed
Selected tax incentive / economic development legislation

Governor's Opportunity Development Fund: The Governor may reduce the number of new jobs required to no less than half of the amount that would have normally been required to receive a fund grant or loan when the average wage of new jobs created is at least twice the prevailing wage (not including benefits) for the locality or the region. The bill also eliminates the prohibition on a locality receiving funding for more than one project in a fiscal year. (SB 1247/HB 2381)

Research and development investment tax credit: Creates a R&D tax credit, not to exceed 15% of the amount spent by the taxpayer on an eligible R&D activity. The maximum credit is $100,000 per year; the credit will become effective only if reenacted by the next General Assembly. The bill also directs the Secretaries of Technology and Commerce and Trade to conduct a study of tax incentives for R&D initiatives. (HB 1667)

Enterprise zone designations: This bill increases the maximum number of enterprise zones authorized from 50 to 55. Five of the zones designated after 1/1/99 shall be in locations that (1) have annual average unemployment rates that are 50% higher than the statewide average; or (2) are within planning districts that have average unemployment rates at least one percent greater than the statewide average. (SB 1187 and HB 1953)

Sales and use tax liability of industrial development authorities: This curtails the sales and use tax exemption currently available to industrial development authorities (IDAs) that purchase construction materials tax-free and furnish them to private companies. The measure excludes tangible personal property purchased by IDAs from the governmental sales tax exemption unless it is paid for out of public funds. An exception is carved out for the Advanced Shipbuilding and Carrier Integration Center. (SB 781)

Apportionment of corporate income tax: This revises the formula for calculating the portion of a corporation's income that is subject to the Virginia corporate income tax. Currently Virginia generally uses a three-factor test by which the total of the property factor, payroll factor, and sales factor is divided by three. Under this law, the sales factor is double-weighted, with the result that when all three factors are present, the property factor payroll factor and twice the sales factor will be divided by four. (HB 1818)

Other than tax legislation:

Investment Partnership Act: This establishes two grant programs, subject to appropriation:

(1) Grants of $25 million to an eligible Virginia manufacturer who makes an investment of $100 million that results in the creation of at least 1,000 new permanent, full-time jobs. The terms of the grant are to be set forth in a memorandum of agreement, subject to review of the House
Appropriations and Senate Finance Committees. The grant will be payable over a period of 4-7 years.

(2) Grants for existing Virginia manufacturers making a capital investment of at least $25 million who do not qualify for the first grant program.

- The amount of the grant shall be determined by the Secretary of Commerce and Trade, based on recommendations of the Virginia Economic Development Partnership and approved by the Governor.

- The amount shall be made by applying guidelines, to be reviewed by the chairmen of the House Appropriations and Senate Finance Committees, that take into account the number of new jobs created, wages, the amount of the investment, the present net value of paid benefits to Virginia and other factors.

- The amount of a grant any eligible manufacturer is eligible for shall not exceed $3 million or 10% of the amount appropriated to the program’s subfund. An overall cap of $30 million in awards outstanding at any time.

- Grants are payable, subject to appropriation, over five years beginning in the sixth year after the investment is completed and verified. (SB 1143)

**Virginia Tourism Authority Act:** The bill creates the Virginia Tourism Authority to:

- issue periodicals and carry and charge for advertising therein;

- raise money in the corporate, nonprofit, and nonstate communities to finance the Authority’s activities;

- support and encourage each locality to foster its own tourism development programs;

- enter in agreements with public or private entities that provide participating funding to establish and operate tourism centers;

- encourage, stimulate and support tourism in the Commonwealth by promoting, marketing and advertising the Commonwealth’s many tourist attractions and locations;

- encourage, stimulate and support the film industry; and

- do all things necessary and proper to administer and manage the Governor’s Motion Picture Opportunity Fund.

All rights of the Authority shall be exercised by a Board of Directors consisting of the Secretary of Commerce and Trade, the Secretary of Finance, and eleven members appointed by the Governor, subject to approval of the General Assembly.
The newly created Authority will perform the tourism functions currently exercised by the Virginia Economic Development Partnership Authority. (SB 1142)

**Capital Access Fund for Disadvantaged Businesses:** Creates a permanent, non-reverting fund to be used to provide loan guarantees, loan loss reserves, and interest rate write-downs for economically disadvantaged businesses. Fund guidelines are developed by the Virginia Small Business Financing Authority and the Director of the Department of Minority Business Enterprise. (HB 2506)

**Neighborhood Assistance Act:** All donations of services by licensed contractors for the development construction, renovation, or repair of (1) homes of impoverished people or (2) buildings used by neighborhood organizations qualify for tax credits under the Neighborhood Assistance Act. The value of the contracting services, for purposes of determining the amount of the tax credit, is the lesser of the reasonable cost for similar services from other providers or $50 per hour. (SB 1021)
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Jeanie Thomas is Senior Research Associate in the Fiscal Research Program of the Andrew Young School of Policy Studies at Georgia State University. Her primary research work has been in economic development (including high technology and rural development) and workforce management and development. She holds an M.A. from Georgia State University.

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*State Economic Development Tax Incentives in the Southeast.*
(Jeanie Thomas)
This report identifies basic features of state tax incentive programs in southeastern states. Each state synopsis is followed by a brief summary of the 1999 statutory changes. FRP Report/Brief 40 (January 2000).

*Rewards for High Student Achievement and Interventions for Persistently Low Student Achievement.*
(Ben Scafidi and the GERSC’s Rewards and Interventions staff)
This report prepared for the Governor’s Education Reform Study Commission Accountability Committee (GERSC) discusses issues and design of education accountability programs and a menu of options for education reform. FRP Report/Brief 39 (December 1999).

*An Analysis of the Employment Impact of Georgia’s Tax Credit.*
(Dagney Faulk)
This report reviews the literature on job tax credits and presents an analysis of the decision to participate in the Georgia’s Job Tax (JTC) program and the effect of the JTC on employment. FRP Report/Brief 38 (December 1999).

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(David L. Sjoquist and Lakshmi Pandey)
This report describes how various states limit the growth in property tax assessment and explores the implications of such limitations. FRP Report/Brief 37 (November 1999).

*Corporate Tax Credits Considered for Social Policy.*
(Dagney Faulk)

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(L. Kenneth Hubell and David L. Sjoquist)
This report discusses the growth of manufactured housing and explores the implications for the property tax base. FRP Report/Brief 35 (September 1999).

*An Analysis of Franchise Fees in Georgia.* (Bruce Seaman)
This report examines the current structure of franchise fees, identifies the associated problems, and describes options for addressing the problems. FRP Report 34 (August 1999).

*Road Construction and Regional Development.* (Felix Rioja)
This report investigates the effect of roads on economic development. FRP Report/Brief 33 (July 1999).

*Distribution of Public Education Funding in Georgia, 1992: Equity From a National Perspective.*
(Ross H. Rubenstein, Dwight R. Doering and Michelle Moser)
This report compares the inter-district equity of school revenue in Georgia with that of all other states. FRP Report/Brief 32 (April 1999).
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This report prepared for the Georgia Economic Developers Association presents results of a survey on economic development activities in the state. FRP Report 30 (March 1999).

State and Local Government Taxation of Manufactured Housing (L. Kenneth Hubbell)
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A quick overview of all state and local taxes in Georgia. FRP Annual Publication A(5) (January 1999)

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This brief discusses the issues and revenue loss associated with exemptions in solid fuel from sales taxation. FRP Brief 28 (January 1999)

Economic Development Policy (Keith Ihlanfeldt)
This report addresses five weaknesses in Georgia’s economic development program and recommends policies to overcome these weaknesses. FRP Report/Brief 27 (January 1999)

The Manipulation of State Corporate Income Tax Apportionment Formulas As An Economic Development Tool (Kelly Edmiston)
This paper uses a simulation model to examine the effects of disproportionate sales factor weighting in state corporate income tax apportionment formulas on economic development, tax collections, and regional welfare. FRP Brief 26 (November 1998)

The Impact of House Bill No. 129 on Funding for Central Administration in the School Districts of Georgia (Dwight R. Doering)
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Revenue Losses from Exemptions of Goods from the Georgia Sales Tax (Mary Beth Walker)
This report presents estimates of the loss of revenue from exemptions of specific goods or classes of goods from the sales tax base. FRP Brief 24 (November 1998)

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(Dwight R. Doering and Larry R. Gess)
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(Saloua Sehili)
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A policy option for changing how Georgia taxes personal property. FRP Report/Brief 18 (August 1998)

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An overview of issues associated with the taxation of the insurance industry in Georgia. FRP Report/Brief 17 (August 1998).

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(L.F. Jameson Boex and Jorge Martinez-Vasquez)

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Performance Based Budgeting Requirements in State Governments
(Julia Melkers and Katherine G. Willoughby)
This policy brief addresses the trend toward improving performance in state government through the use of performance-based budgeting. FRP Brief 7 (June 1998).

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This study analyzes the export-related provisions of tax laws and proposes policy changes. FRP Report 15 (May 1998).
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A Georgia Sales Tax for the 21st Century (Roy Bahl and Richard Hawkins)

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This policy brief discusses the issues that will ultimately determine the impact on sales tax revenue in Georgia resulting from deregulation of the natural gas industry. FRP Brief 4 (February 1998).

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